

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6693

BILL NUMBER: HB 1108

DATE PREPARED: Jan 30, 2002

BILL AMENDED: Jan 30, 2002

SUBJECT: Education Report Card.

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) This bill changes the required publication date and some components of school corporation annual performance reports. The bill also provides for reports to be made available on the Internet. It requires school corporations to provide free copies of reports to persons who request copies. The bill removes language concerning the obsolete performance-based accreditation program. The bill provides for the transition in publication dates by moving the September 2002 publication date to January 2003.

Effective Date: July 1, 2002.

Explanation of State Expenditures: (Revised) Under the bill, the State Superintendent of Schools and the State Board of Education would no longer be required to include in the annual performance report (APR) of a school corporation the performance-based accreditation goal targets.

The Department of Education indicates no additional expenditures would be required at the state level for the implementation of the bill. Currently, the data from school corporations that is used for school corporation annual performance reports is already provided to the Department and placed into Department databases. The bill would allow the Department additional time to collect this data for the 2002 school year.

The Department should incur no additional expenditures by the requirement to post on the Department's internet site each school corporation's annual report. The Department already maintains an extensive internet site including reports and data on other educational topics.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) *Annual Performance Report:* By moving the publication of the school year 2001-2002 annual performance report from September 2002 to January 2003, school

corporations could experience a one-time decrease in expenditures related to publishing costs in CY 2002.

Under current law, basic publishing charges are by the line with squares of 250 ems. Before January 1, 1996, the rate was \$3.30 per square for the first insertion in a newspaper or qualified publication plus \$1.65 per square for each additional insertion in a newspaper or qualified publication. After December 31, 1995, and before December 31, 2005, a newspaper or qualified publication may, effective January 1, increase the basic charges by 5% more than the basic charges that were in effect during the previous year. However, the basic charges for the first insertion of a public notice in a newspaper or qualified publication may not exceed the lowest classified advertising rate charged to advertisers by the newspaper or qualified publication for comparable use of the same amount of space for other purposes. An additional charge of 50% is allowed for the publication of all public notice advertising containing rule or tabular work.

Under the bill, if publication of the 2002 APR is delayed until January 2003, school corporations would not face printing costs in CY 2002 given that the school corporation would not have to print an APR in September 2002. Savings would depend on the school corporation and local action on the choice of publication used. Approximately 289 school corporations operate on a calendar year budget.

The bill provides that a school corporation may post their APR on the school corporation's internet site. There should be minimal cost to school corporations electing to do so.

Additionally, the bill requires for school corporations to provide, free of charge, copies of their respective APRs to any person that requests a copy. The impact to school corporations would vary and depend on the cost of printing and paper by the number of persons requesting a copy.

Contents of the Report: The bill changes the requirements on contents of the APR. Additional benchmark/indicator information for student enrollment, more detailed financial information, and various school performance-related cost factors would be required in the report under the bill. More detailed counts of teachers that are certified employees and teachers teaching in the subject area for which they are licensed would have to be included in the APR. However, under the bill, staff professional development and number and types of partnerships with the community, business, or higher education and levels of parental participation would be included in the report at the discretion of the school corporation.

The bill requires the report to contain mobility rates of both interdistrict and intradistrict students, the number of teachers with national board certification, and the percentage of eighth-grade students enrolled in algebra 1. The addition of these categories should not drastically increase the cost to publish the report.

Background: For the 2001 school year, public school enrollment totaled 988,691. Approximately 1,960 public schools were in operation within Indiana's 294 school corporations during that time.

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Education.

Local Agencies Affected: School Corporations.

Information Sources: Terry Spradlin, Indiana Department of Education (317) 232-6671.